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Attorneys for Plaintiff
Gemini II Ltd.

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

GEMINI II LTD.,

08 Civ. 6334 () ()

Plaintiff,

- against -

**DECLARATION OF
DR. ANTHONY MARLON**

DERECKTOR SHIPYARDS CONN., LLC,

Defendant.

Dr. Anthony Marlon hereby declares under penalty of perjury:

1. I am the beneficial owner of Gemini II Ltd. ("Gemini").
2. On or about June 12, 2008, I received a call from Paul Derecktor, President of Derecktor Shipyards Conn., LLC ("Derecktor") to discuss the construction of the yacht called the Gemini Project (the "Vessel"), which is the subject matter of a Vessel Construction Agreement between the Derecktor and Gemini dated as of June 30, 2005 ("Contract").
3. During the course of the conversation, Mr. Derecktor relayed the grave financial circumstances currently facing his company.

4. Mr. Derecktor began the conversation by stating that Gemini must pay more than the sum owed on the Contract because Derecktor was building a better vessel than the one required by the Contract.

5. I responded that Gemini had already paid more than was called for in the Contract, which I noted was a fixed price contract.

6. Mr. Derecktor stated that if Gemini did not pay more, Derecktor would not be able to finish the Vessel because Derecktor was already losing too much money on this particular project.

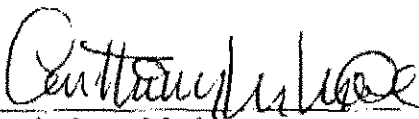
7. Mr. Derecktor also demanded that Gemini pay 3.9 million dollars in a lump sum to cover all outstanding change orders on the project.

8. Further, in order to complete the Vessel Derecktor would only continue working on a "time and materials basis" with Derecktor billing in a bi-weekly schedule.

9. Mr. Derecktor concluded the phone call by stating that the financial pressure placed on Derecktor by the continued construction of the Vessel threatened the continued survival Derecktor Shipyards Conn., LLC.

This Declaration is made under the penalties of perjury of the United States of America.

Signed this 13th day of July, 2008.


Dr. Anthony Marlon

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